

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7704

Petition of Green Mountain Power Corporation for       )  
approval of its Advanced Metering Infrastructure Plan    )

Order entered: 11/29/2011

**ORDER RE: ADVANCED METERING INFRASTRUCTURE PLAN AMENDMENT**

**I. INTRODUCTION**

On July 22, 2011, the Vermont Public Service Board ("Board") approved Green Mountain Power Corporation's ("GMP" or "Company") plan for the implementation of Advanced Metering Infrastructure (the "AMI Plan") in its service territory ("AMI Project"). The Board's July 22 Order also approved a Memorandum of Understanding (the "Docket 7704 MOU") between GMP and the Vermont Department of Public Service ("Department") regarding the AMI Plan. Pursuant to the Docket 7704 MOU, GMP committed to file an AMI Plan update regarding the inclusion of a mechanism that would allow GMP customers who do not want a smart meter installed at their account location to choose not to have a smart meter installed during the AMI Project's implementation ("opt-out provision").<sup>1</sup> The Board's July 22 Order did not address whether GMP should update its AMI Plan to include an opt-out provision. Instead, the Board's Order stated that the issue would be addressed in the future and that any opt-out provision would require approval prior to implementation.<sup>2</sup>

On August 2, 2011, GMP filed an update to its AMI Plan requesting the inclusion of an opt-out provision. In this Order, we approve the August 2 amendment to GMP's AMI Plan, as filed by GMP and supported by the Department.

---

1. Docket 7704 MOU-1 at 2-3.

2. Docket 7704, Order of 7/22/11 at n. 6.

## **II. BACKGROUND AND PROCEDURAL HISTORY**

On January 7, 2011, GMP filed its utility-specific AMI Plan including the supporting Business Case, Measurement & Verification Plan, qualitative description of benefits, and communications plan.

On May 26, 2011, GMP filed the Docket 7704 MOU between the Company and the Department. The Docket 7704 MOU provided that GMP would file AMI Plan updates, including Business Case revisions, as appropriate, on the subjects listed below and stated that if GMP was unable to meet the identified target dates or a date was not specified, GMP would file quarterly updates with the Board and the Department on the status of each of the following issues:

- Rates Roadmap (9/30/11);
- Communications backhaul network solution;
- Opt-out provision (8/1/11);
- Agreement with Vermont's Energy Efficiency Utility ("EEU") (7/31/11);
- Web presentment solution (7/1/12); and
- Measurement and Verification Plan.<sup>3</sup>

On July, 22, 2011, the Board approved GMP's AMI Plan and the Docket 7704 MOU.

On August 1, 2011, GMP filed a letter and an attached description of the EEU's role in GMP's AMI Plan. GMP did not request Board approval for the update and stated that the Company anticipated filing a revised version of the EEU's role after further consultation with the EEU and the Department.

On August 2, 2011, GMP filed an update to its AMI Plan requesting the inclusion of an opt-out provision.

On August 2, 2011, the Clerk of the Board issued a memorandum requiring that any comments regarding GMP's August 2 request to amend its AMI Plan be filed by August 17, 2011.

On August 15, 2011, the Department filed a letter supporting GMP's request to amend its AMI Plan to include an opt-out provision. In addition, the Department's letter stated that it looked forward to working with GMP on an appropriate low-income discount for the surcharge

---

3. Docket 7704 MOU at 2-3.

fee associated with the opt-out provision and that it would file comments on the proposal once GMP submitted a formal tariff filing.

On October 3, 2011, GMP filed a letter regarding a "Rates Roadmap" for the implementation of dynamic rates, stating that it intends to file a specific proposal by December 30, 2011.

### **III. GMP'S PROPOSED OPT-OUT PROGRAM**

On August 2, 2011, GMP filed a request to amend its AMI Plan to include an opt-out provision consistent with its commitment in the Board- approved Docket 7704 MOU.<sup>4</sup> GMP's stated purpose for the opt-out provision is to offer its customers the flexibility to opt-out of advanced meter installation "for whatever reason" they choose. Under GMP's proposed opt-out program:

- GMP will provide individual notice to all customers and premises prior to replacing their existing electro-mechanical meter with a smart meter;
- Customers who choose to opt out ("opt-out customers") will be required to contact the GMP call center, prior to their scheduled meter-replacement period, and sign an opt-out consent form;
- Opt-out customers will be charged a \$10 monthly fee to cover the operational cost associated with keeping an electro-mechanical meter;
- GMP will replace smart meters with electro-mechanical meters at no cost if a customer or premise decides at a later date to request the removal of such a smart meter; however, such customers or premises will then be charged a monthly fee to cover the operational costs associated with having an electro-mechanical meter;
- GMP will replace electro-mechanical meters with smart meters at no cost if an opt-out customer or premise decides at a later date to request a smart meter;
- GMP will continue to charge opt-out customers \$35 to be reconnected after a disconnect and GMP may charge customers with smart meters a reduced reconnect fee in the future, pending regulatory approval;<sup>5</sup>
- Upon request, GMP will provide customers with installed smart meters

---

4. Docket 7704 MOU-1 at 2-3.

5. GMP's Special Charges Tariff, as revised in November 2005, includes both reconnect and disconnect fees. Therefore, GMP must also consider whether the disconnect fees should be reduced for customers with smart meters.

reasonable investigative services and mitigation solutions to address customers' concerns, short of replacing their smart meter.<sup>6</sup>

#### **IV. DISCUSSION**

Pursuant to GMP's approved AMI Plan, the Company planned to implement AMI throughout its entire service territory by replacing all 96,211 existing electro-mechanical meters with smart meters.<sup>7</sup> GMP's installation of smart meters will provide customers with many benefits enabled by AMI technology, such as: automatic outage detection and notification; potential energy-efficiency savings information; and the ability to employ advanced communication devices throughout their homes, such as load-controlled thermostats and in-home displays.<sup>8</sup>

The amendment of GMP's AMI Plan to include an opt-out provision will impact the Company's ability to realize some operational savings and to bring all of the potential benefits enabled by AMI technology to its customers. At the same time, as described by GMP, the opt-out provision will offer GMP's customers flexibility in their relationship with the Company allowing them to elect, for whatever reason, to not have a smart meter installed.

We find that GMP's proposal to include an opt-out provision within its AMI Plan will provide customers with flexibility and should not materially impact the potential benefits of GMP's AMI Project. Thus, we find GMP's proposed opt-out provision is reasonable. However, it is also important to note that if large numbers of GMP's customers chose to opt out, the opt-out provision may impact GMP's ability to garner all of the potential non-operational cost benefits associated with the AMI Project. If significant numbers of customers chose to opt out, the Board would expect GMP to revisit the reasonableness of its opt-out provision and propose changes as may be appropriate.

---

6. Letter of August 2, 2011, from Elijah D. Emerson, Esq., on behalf of GMP, to Susan Hudson, Clerk of the Board at GMP AMI Plan Update - Customer Opt-Out Program Overview ("GMP Opt-Out Program").

7. GMP AMI Plan at 10.

8. GMP Opt-Out Program at 1.

We also find that charging customers a monthly fee to cover the operational costs associated with keeping their existing electro-mechanical meters is conceptually reasonable. However, at this time, we refrain from determining whether a \$10 monthly charge is appropriate. Instead, GMP should submit a formal tariff filing with the Board for review and approval which provides detailed support for any monthly charge associated with the opt-out provision.

Further, we note that GMP's August 2 update was filed before the conclusion of the ongoing discussions regarding opt-out provisions generally within Docket 7307. Therefore, based on the outcome of the workshop process in Docket 7307, the Board reserves the right to require GMP to revise or refine its approved opt-out provision.

#### **V. CONCLUSION**

We find that the GMP's proposal to update its AMI Plan to include an opt-out provision is reasonable.

#### **VI. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. Green Mountain Power Corporation's ("GMP") August 2, 2011 request to amend its Advanced Metering Infrastructure ("AMI") plan to include an opt-out provision is approved.
2. This Order does not constitute a finding of prudence with respect to any individual cost set forth in the Advanced Metering Infrastructure Plan. However, compliance with the Advanced Metering Infrastructure Plan and related Public Service Board orders shall entitle Green Mountain Power Corporation to the cost-recovery protections, assurances, and treatment set forth in the Advanced Metering Infrastructure Plan, the Docket 7704 Memorandum of Understanding, and the Docket 7307 Memorandum of Understanding, as modified and approved.
3. GMP shall submit a formal tariff filing with the Board for review and approval which provides detailed support for any monthly charge associated with the opt-out provision.

Dated at Montpelier, Vermont, this 29<sup>th</sup> day of November, 2011.

<u>s/James Volz</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/John D. Burke</u>	)	

OFFICE OF THE CLERK

FILED: November 29, 2011

ATTEST: s/Susan M. Hudson  
Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*